Reports - Standing Policy Committee on Public Works - September 13, 2005

Item No. 2 Award of Contract for Residential Manual Garbage Collection Services in the Northeast Area of Winnipeg
File GL-9

STANDING COMMITTEE RECOMMENDATION:

On September 21, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Public Works and submits the following to Council:

1. That a contract for Bid Opportunity No. 224-2005 be awarded to BFI Canada Inc., the lowest evaluated responsive bidder meeting the specifications in the amount of $1,739,939.33/year, GST extra as applicable.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Reports - Standing Policy Committee on Public Works - September 13, 2005

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 2005, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Public Works and submitted the matter to Council.

Further, on September 21, 2005, the Executive Policy Committee considered a submission from Mike Davidson, President, Canadian Union of Public Employees (CUPE) Local 500, with respect to Solid Waste Collection Services – Contract for Residential Manual Garbage Services in the Northeast Area of Winnipeg.

STANDING COMMITTEE RECOMMENDATION:

On September 13, 2005, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

Re: AWARD OF CONTRACT FOR RESIDENTIAL MANUAL GARBAGE COLLECTION SERVICES IN THE NORTHEAST AREA OF WINNIPEG BID OPPORTUNITY NO. 224-2005

FOR SUBMISSION TO: THE STANDING POLICY COMMITTEE ON PUBLIC WORKS

ORIGINAL REPORT SIGNED BY: Barry D. MacBride, P. Eng.

REPORT DATE: September 8, 2005

RECOMMENDATION(S):

That a contract for Bid Opportunity No. 224-2005 be awarded to BFI Canada Inc., the lowest evaluated responsive bidder meeting the specifications in the amount of $1,739,939.33/year, GST extra as applicable.

Report Summary

KEY ISSUES: This award is for a multi-year contract funded by the Current Budget.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
X	Involves a multi-year contract

Comment: Contract is from February 1, 2006 to January 31, 2012

Policy Implications

X	No
	Yes - Comment(s):

Environmental Implications

X	No
	Yes - Comment(s):

Human Resources Implications

X	No
	Yes - Comment(s):

Financial Implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment: Funds for future years not in an approved Budget.

REPORT

REASON FOR THE REPORT:

The award of a multi-year contract must be authorized by Council in accordance with Section B8.2.3 of the City of Winnipeg Materials Management Policy, which states that the appropriate Standing Committee shall forward a recommendation to Council including where appropriate, a recommendation for funding the difference between the budgetary provision and the monetary consideration to be paid by the City pursuant to the proposed contract.

HISTORY:

Funds for this work are included every year in the Annual Current Budget, Account No. 001 521083 201962 for Residential Manual Collection Services in the Northeast Area of Winnipeg

DISCUSSION:

The work of this contract consists of the manual collection of garbage from about 42,600 residential units in the northeast area of Winnipeg, including Transcona, St. Boniface/St. Vital and North and East Kildonan as well as the manual collection of garbage from small commercial locations in the same areas

The Bid Opportunity closed on July 29, 2005, with bids being received as follows:

BFI Canada Inc.	$1,739,939.33/year
International Paper Industries Ltd.	$1,750,471.20/year
Waste Management of Canada Corporation	$1,892,678.76/year

Solid Waste Service Division staff of this Department are satisfied that the low Bidder has the necessary resources to perform all of the work in accordance with the requirements of the specifications. The low Bidder has satisfactorily carried out previous works of a similar nature.

The low bid is 24.3% higher than the current cost of this work and 11.6% above the pretender estimate. The increase in cost is attributed to an increase in the amount of garbage per unit (the amount of garbage being generated from each home has increased by 21% since the last bid opportunity seven years ago) and to the recent increases in and uncertainty about fuel costs. The closeness of the bidding, as well as the sufficient number of bidders, indicates that the prices are reasonable for the Winnipeg marketplace.

The Manager of Materials Management Branch has advised that each of the bid submissions was accompanied by a bid bond and an agreement to bond, which have been certified by the Legal Services Division.

The bid recommended for acceptance is the low bid meeting all requirements of the specifications. This offer is open for acceptance until October 12, 2005.

FINANCIAL IMPACT:

The following financial impact statement for this project has been prepared in accordance with the recommendation adopted by Council on December 13, 2000.

Financial Impact Statement

Date: September 6, 2005

Project Name:

RESIDENTIAL MANUAL GARBAGE COLLECTION SERVICES IN THE NORTHEAST AREA OF WINNIPEG BID OPPORTUNITY NO. 224-2005

First Year of Program 2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 1,611,132	$ 1,810,004	$ 1,864,304	$ 1,920,224	$ 1,977,841
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 1,611,132	$ 1,810,004	$ 1,864,304	$ 1,920,224	$ 1,977,841
Less: Existing Budget Amounts	1,611,132	1,810,004	1,864,304	1,920,224	1,977,841
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: This work is funded from the tax supported budget (account 001 521083 201962 999). The contract costs will be included in the 2006 Current Budget submission. The price per year for 2007 to 2012 has been increased by an estimated amount of 3% per year to account for the Consumer Price Index as stated in Clause D14 of the tender documents.

"Original signed by"

Moira L. Geer C.A.
Manager of Finance & Administration

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IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

Corporate Services, Legal Services Division
Corporate Finance, Materials Management Branch

THIS REPORT SUBMITTED BY:

Water and Waste Department
Solid Waste Services Division
Prepared by: Darryl E. Drohomerski, C.E.T.
Processed by: Shirley Teranishi/John Elias
Fax. No. 986-3745
File No. 011 15 09 04 00

Attachment

c: Manager of Legal Services/City Solicitor, Corporate Services Department
Manager of Materials, Corporate Finance Department
S. Tomasi, Finance and Administration, Water and Waste Department
J. Elias, C.E.T., Water and Waste Department

THE CITY OF WINNIPEG
WATER AND WASTE DEPARTMENT

BID TABULATION

FOR
RESIDENTIAL MANUAL GARBAGE COLLECTION SERVICES IN THE NORTHEAST AREA OF WINNIPEG

Bid Opportunity No. 224-2005 **File No. WW/ 011 15 09 04 00**

Bidder	Total Bid Price	Completion Date	Deposit	Remarks
BFI Canada Inc.	$1,739,939.33/year	January 31, 2012	Bid Bond	
International Paper Industries Ltd.	$1,750,471.20/year	January 31, 2012	Bid Bond	
Waste Management of Canada Corporation	$1,892,678.76/year	January 31, 2012	Bid Bond	

Pre-bid Estimate	$1,558,974.00
Recommended Amount	$1,739,939.33

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